

BRIDGING THE GAPS

in Iowa and Around the Nation



Center for Economic and Policy Research • Washington, D.C.
The Iowa Policy Project • Mount Vernon, Iowa



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Bridging the Gaps

What 'gaps'?

Many families *work for a living*, but even then they ***can't make ends meet.***

The BTG project highlights those gaps.

The goal: Help to find policy choices that ***make work pay.***

Bridging the Gaps

*Three ways to help families **BRIDGE THE GAPS**
and avoid hardships:*

- Increase wages
- Mandate that firms offer benefits to decrease family expenses, like health insurance and child care
- Provide government benefits to supplement low wages.

Analyzing the Gaps

PARTNERS IN BTG PROJECT

- **District of Columbia** – DC Fiscal Policy Institute
- **Illinois** – Shriver Center & Univ. of Illinois, Chicago
- **Iowa** – Iowa Policy Project
- **Massachusetts** – Center for Social Policy/UMass Boston
- **Minnesota** – JobsNow & five other groups
- **New York** – Fiscal Policy Institute
- **North Carolina** – North Carolina Budget & Tax Center
- **Ohio** – Policy Matters Ohio
- **Texas** – Center for Public Policy Priorities
- **Washington** – Seattle Jobs Initiative

Analyzing the Gaps

Understanding the gaps that exist requires both quantitative and qualitative analysis.

- Who and how many are eligible?
- Who and how many receive benefits?
- How well do the benefits meet needs?
- What is the economic context?
- What is the role of public policy?

Analyzing the Gaps

Quantitative Estimates

- 1. Eligibility Gap:** Estimate who is eligible for child care subsidies, EITC, Food Stamps, housing assistance, Medicaid/SCHIP and TANF, and how many of those eligible actually receive benefits.
- 2. Hardships Gap:** Estimate how many families are below a basic needs standard, even once we count in their benefits.

1. Eligibility Gaps

	Share of population eligible*	Number of eligible lowans	Average monthly recipients	Take-up rate among eligible population**	Recipients/ pop***	Unit of analysis	Population
Child Care	11.1%	56,509	17,900	31.7%	3.5%	children under age 13	507,844
EITC	14.6%	190,966	168,361	88.2%	12.8%	tax filers	1,311,219
Food Stamps	10.7%	318,053	206,696	65.0%	7.0%	persons	2,965,524
Housing	7.4%	96,432	24,790	25.7%	1.9%	households	1,306,943
TANF	4.1%	120,449	42,000	34.9%	1.4%	persons	2,965,524

* Share of relevant population that CEPR estimates to be eligible based on analysis of SIPP data and the state's eligibility rules.

** Number of lowans that state administrative records show received benefits (average monthly recipients unduplicated) divided by the number of people eligible, where that number comes from the share CEPR finds to be eligible multiplied by the state population for each unit of analysis.

*** Number of lowans that state administrative records show received benefits divided by the state population for each unit of analysis.

1. Eligibility Gaps

A CLOSER LOOK: *CHILD CARE*

	Share of population eligible*	Number of eligible lowans	Average monthly recipients	Take-up rate among eligible population**	Recipients/pop***	Unit of analysis	Population
Child Care	11.1%	56,509	17,900	31.7%	3.5%	children under age 13	507,844
EITC	11.3%	100,000	16,861	88.8%	12.8%	tax filers	1,311,219
Food Stamps	10.7%		6	65.0%	7.0%	persons	2,965,524
Housing	7.4%			25.7%	1.9%	households	1,306,943
TANF	4.1%					persons	2,965,524

* Share of state's eligibility rules

** Number of recipients (not unduplicated) divided by the eligible population multiplied by 100

*** Number of recipients divided by the population for each unit

17,900
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re

Take-up rate:
31.7 %

1. Eligibility Gaps

A CLOSER LOOK: **CHILD CARE**

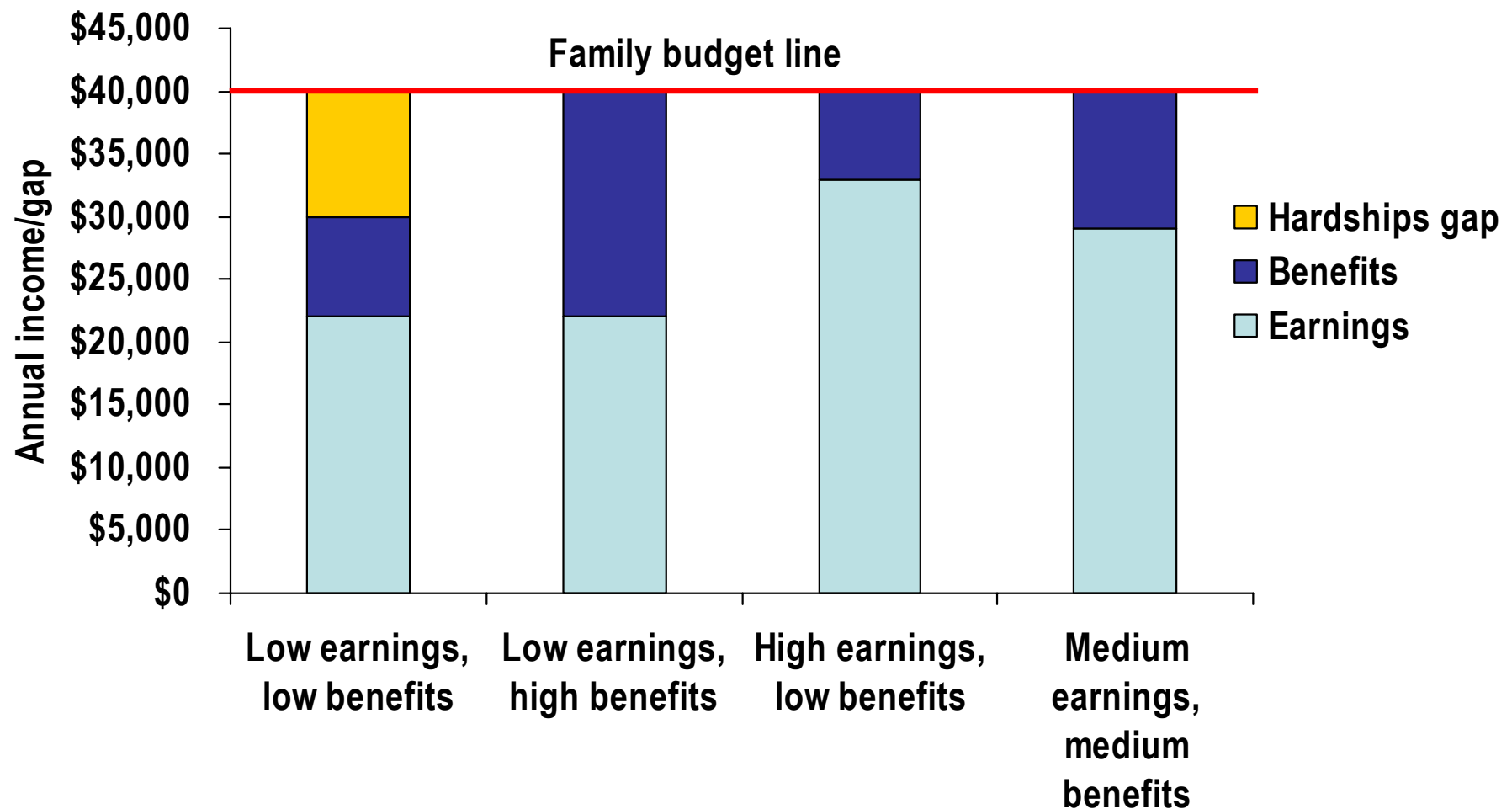
Compared to other states, Iowa's commitment to child-care assistance is especially lacking.

Thousands of children are never considered eligible for coverage in Iowa — but would be eligible in other states.

Eligibility is more restrictive in Iowa than in all but nine states.

2. Hardships Gaps

A HYPOTHETICAL EXAMPLE OF A HARDSHIPS GAP



2. Hardships Gaps

LIVING IN THE HARDSHIPS GAP

In Iowa, this is *just over a quarter* of people living in families with one or two adults and up to three children under the age of 12.

These Iowans have *family income below a basic family budget*, not including their work supports.

2. Hardships Gaps

LIVING IN THE HARDSHIPS GAP

Work supports do not close the gap.

Over half of low-income lowans remain below a basic family budget even when we include their work supports in their total resources.

Analyzing the Gaps

Qualitative Estimates

1. State mapping of policies and labor market conditions (incl. program eligibility rules)
2. Outreach to advocacy groups, policymakers, and those affected by these policies can make the findings substantially more useful.

Major Findings

1. Government benefits play an important role in providing families with income and the services that help them stay at work, such as child care.

*However, in states around the nation,
**many eligible families do not get
benefits.***

Major Findings

2. Families that do receive benefits find that ***many benefits phase out quickly***, often leaving them no better off when they work or earn more.
3. As a result, ***millions are left in the hardships gap***, with insufficient earnings and benefits to meet basic needs.

CONCLUSION

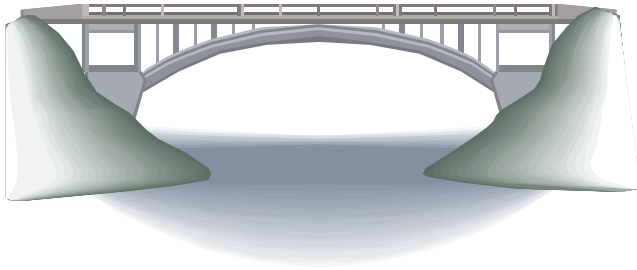
Work supports are not reaching all eligible and needy working families.

Better public policies are needed to help more of Iowa's working families bridge the gap between income and need.

Bridging the Gaps was designed to highlight this reality. The policy conversation should reflect it.

BRIDGING THE GAPS

in Iowa and Around the Nation



FOR MORE INFORMATION:

Center for Economic and Policy Research

www.cepr.net



The Iowa Policy Project

www.iowapolicyproject.org